

**IN THE UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF MISSISSIPPI**

**IN RE:**

**PIONEER HEALTH SERVICES, INC.<sup>1</sup>  
DEBTOR**

**NO. 16-01119-NPO  
CHAPTER 11**

**REPORT OF SALE OF MEMBERSHIP INTERESTS IN RURAL SOLUTIONS, LLC**

COMES NOW Pioneer Health Services, Inc. (the “Debtor” or the “Seller”) and files this, its *Report of Sale of Membership Interests in Rural Solutions, LLC* (the “Report”), and in support thereof would respectfully show as follows, to-wit:

1. Debtor attaches hereto as **Exhibit “A”** and incorporates herein by reference the Sources and Uses for the Sale of Membership Interests in Rural Solutions, LLC to Rush Health Systems, Inc.

2. The sale of the membership interests in Rural Solutions, LLC has been completed, the supporting documents have been forwarded to the appropriate offices for recording, and the funds have been disbursed as required by the Court in the Sale Order dated March 1, 2017, and entered in the Court’s records as Docket Number 1748.

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<sup>1</sup> On April 6, 2016, the bankruptcy cases of *Pioneer Health Services of Patrick County, Inc.*, No. 16-01120-NPO; *Pioneer Health Services of Newton County, LLC*, No. 16-01121-NPO; *Pioneer Health Services of Stokes County, Inc.*, No. 16-01122-NPO; *Pioneer Health Services of Choctaw County, LLC*, No. 16-01123-NPO; *Pioneer Health Services of Oneida, LLC*, No. 16-01124-NPO; and *Pioneer Health Services of Monroe County, Inc.*, No. 16-01125-NPO were administratively consolidated into the bankruptcy case of *Pioneer Health Services, Inc.*, No. 16-01119-NPO. Debtor *Pioneer Health Services of Early County, LLC*, No. 16-01243-NPO, filed its Chapter 11 bankruptcy case on April 8, 2016, and was administratively consolidated into the “main” case of *Pioneer Health Services, Inc.*, No. 16-01119-NPO, on April 15, 2016. Debtor *Medicomp, Inc.*, No. 16-01126, filed its Chapter 11 bankruptcy case on March 30, 2016, and was administratively consolidated into the “main” case of *Pioneer Health Services, Inc.*, No. 16-01119-NPO, on June 29, 2016. All of these cases are hereinafter referred to collectively as “the Debtor”.

3. Accordingly, all disbursements contemplated in the closing statement have now been made and the net proceeds have been transferred to an interest-bearing, escrow account established pursuant to the guidelines promulgated by the Office of the United States Trustee.

DATED, this the 13<sup>th</sup> day of March, 2018.

Respectfully submitted,

PIONEER HEALTH SERVICES, INC.

By Its Attorneys,

LAW OFFICES OF CRAIG M. GENO, PLLC

By:   
Craig M. Geno

OF COUNSEL:

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**CERTIFICATE OF SERVICE**

I, Craig M. Geno, do hereby certify that I have caused to be served this date, via electronic filing transmission, a true and correct copy of the above and foregoing to all creditors and parties in interest, all creditors of PHS Oneida, and to the following:

Ronald H. McAlpin, Esq.  
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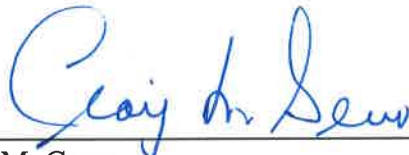
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THIS, the 13<sup>th</sup> of March, 2018.

  
\_\_\_\_\_  
Craig M. Geno

**Sale of  
Rural Solutions  
To  
Rush Health Systems, Inc.**

SOURCES		USES	
Cash due at Closing	\$ 1,300,000.00	Payment of AP Transferred to PHS(1)	\$ 200,480.80
Buyer Payment of RS Accounts Payable due to PHS	211,000.00	SOLIC Fee - 2% Purchase Price	26,000.00
		SOLIC Escrow - 20% Purchase Price (2)	260,000.00
		Satisfaction of Accounts Receivable due from Buyer (3)(4)	649,355.00
		Remaining Proceeds to PHS (4)	375,164.20
<b>Total Sources</b>	<b>\$ 1,511,000.00</b>	<b>Total Uses</b>	<b>\$ 1,511,000.00</b>

## RECONCILIATION

<b>Total Net Proceeds to Pioneer</b>	
RS Accounts Payable to PHS that is transferred to PHS (part of \$200,480.80 of AP transferred to PHS)	77,480.64
Satisfaction of Accounts Receivable due from Buyer (3)(4)	649,355.00
Remaining Proceeds to PHS	375,164.20
<b>Total to Pioneer Health Services</b>	<b>1,101,999.84</b>
Payment of Third-Party AP	123,000.16
Payment of SOLIC Fee	26,000.00
Payment of SOLIC Escrow	260,000.00
	409,000.16
<b>Total Proceeds</b>	<b>\$ 1,511,000.00</b>

(1) See "Transferred AP" tab for a list of Accounts Payable being transferred from Rural Solutions LLC to Pioneer Health Systems, Inc. that should be paid with transaction proceeds.

(1) See Transferred AP tab for a list of Accounts Payable being transferred from our solutions LLC to United Medical Systems, Inc. and should be paid within 90 days.

Upon closing of the Rural Solutions transaction, SOLUC will have received \$40,000 in fees and the Reserve Fund will have a balance of \$460,000.

(3) Satisfaction of Accounts Receivable due from Buiver represents amounts owed by Buish Health Systems, Inc. to Rural Solutions as of December 31, 2016.

Does not include amounts due for February invoice.

(4) Reflects net proceeds to Pioneer Health Services, Inc.

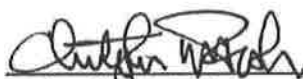
## EXHIBIT "A"

Rural Solutions, LLC  
*Accounts Payable Assignment Per Asset Purchase Agreement*

	<u>Current Due</u>	<u>Retained by Rush Health</u>	<u>Assigned to PHS</u>
Baker Donelson	59,691.00		59,691.00
Butler Snow	12,500.00		12,500.00
eClinical Works	2,086.50		2,086.50
Carbon 6	100.00		100.00
HealthStream	1,250.00		1,250.00
Optum 360	208.84		208.84
Pioneer Health Services - 2016	270,737.57	211,000.00	59,737.57
Pioneer Health Services - 2017	17,743.07		17,743.07
The ERA Leader	67.60		67.60
Triagelogic Management	13,300.00		13,300.00
Verizon Wireless	581.10		581.10
Waller Lansden	33,215.12		33,215.12
	<u>411,480.80</u>	<u>211,000.00</u>	<u>200,480.80</u>

**BUYER:**

**RUSH HEALTH SYSTEMS, INC.**

By:   
Christopher M. Rush  
Its: Chief Financial Officer

**SELLER:**

**PIONEER HEALTH SERVICES, INC.**

By: \_\_\_\_\_  
Its: \_\_\_\_\_

**BUYER:**

**RUSH HEALTH SYSTEMS, INC.**

By: \_\_\_\_\_

Christopher M. Rush

Its: \_\_\_\_\_

Chief Financial Officer

**SELLER:**

**PIONEER HEALTH SERVICES, INC.**

By: \_\_\_\_\_



Its: \_\_\_\_\_

Chief Restructuring Officer